

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 1999-87-C - ORDER NO. 2002-187

MARCH 14, 2002

IN RE: Application of KMC Telecom III, Inc. for	)	ORDER APPROVING
Approval of Assignment and Transfer of	)	CHANGE OF COMPANY
Certificate of Public Convenience and	)	NAME AND WAIVER OF
Necessity currently issued by KMC Telecom	)	NOTICE
to KMC Telecom III	)	REQUIREMENTS

This matter comes before the Public Service Commission of South Carolina (Commission) by way of a request filed by KMC Telecom III, Inc. to amend its Certificate of Public Convenience and Necessity by a change in its name. KMC Telecom III, Inc. was granted authority to provide intrastate interexchange services, switched and special access, and local exchange telecommunications services in the State of South Carolina by Commission Order No. 1999-280 issued April 14, 1999. By Order No. 1999-280, KMC Telecom III, Inc. was granted assignment and transfer of the Certificate previously issued to KMC Telecom, Inc. by Order No. 97-149 issued February 24, 1997 in Docket No. 96-337-C.

By its Request, KMC Telecom III, Inc. states that the corporation has been converted, in accordance with Delaware law, into a limited liability company and its name changed to KMC Telecom III LLC (together with KMC Telecom III, Inc., referred to as KMC III). According to KMC III, its sole shareholder is KMC Telecom Holdings, Inc. (KMC Holdings), a Delaware corporation.

KMC III states that for corporate and business reasons, KMC Holdings converted KMC III and certain of its other subsidiaries into Delaware limited liability companies (LLCs) on December 31, 2001, and all of the assets, rights, liabilities and obligations of the corporation became the assets, rights, liabilities and obligations of the LLC. Copies of the corporate documents of the formation of KMC III as a limited liability company are attached to the Request as Exhibit A.

KMC III asserts that although the corporation has changed its legal form, it is not transferring any assets to a different legal entity or taking on new debt; the conversion is most appropriately treated as a name change. KMC III further adds that KMC Holdings has exchanged its 100% stock interest in the corporation for all of the ownership interests in the newly created limited liability company; therefore, no ownership interests in KMC III are passing to new parties, and there is no change in control of the corporation. According to KMC III, the change of the corporation into a LLC is, for regulatory and most other purposes, a minor name change, as KMC Telecom III, Inc. is merely becoming KMC Telecom III LLC.

Further, KMC III offers that the conversion into a limited liability company will be transparent to customers as it does not involve any change in rates, terms or conditions of the services previously provided to customers by KMC III, and there will be no change in the facilities used to provide its customers service. Management and operating personnel are not changing and the contact persons for both customers and regulatory agencies will remain the same. Because the actual entity remains the same, KMC III states that there is no carrier change charge assessed in connection with the corporation

conversion. Given the insignificant nature of the name change, according to KMC III, there is no potential for customer confusion, thus, KMC III requests that the Commission waive the applicable requirement for customer notification. KMC III asserts that the present situation does not warrant the considerable expense of providing notification to its customers and that such notification would not provide any needed information to the customers. However, KMC III adds that in the event a waiver of the notification requirement is not granted, KMC III would propose to use a bill insert for notifying its customers of the corporate conversion and name change.

Further, KMC III attaches to its Request, as Exhibit B, the Title pages of KMC III's revised tariffs reflecting the name change.

At its regularly scheduled meeting on March 12, 2002, the Commission reviewed the case before it and after due consideration, the Commission concludes that the Request of KMC Telecomm III, Inc. for approval of a change of name due to the corporation's conversion to a limited liability company should be granted. Since the transaction does not involve any change in rates, terms or conditions of services, facilities providing the services, and the management, operating personnel, customers and regulatory agencies remain the same, the Commission agrees with KMC III's opinion that the corporate conversion is transparent to its customers, and notification of the change would not provide the customers with any needed information and the Commission further believes that a waiver of the notification requirement would be in the public interest.

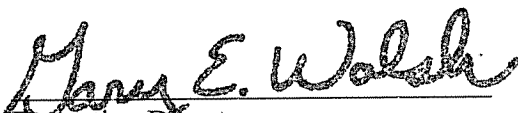
IT IS THEREFORE ORDERED THAT:

1. KMC Telecom III, Inc.'s Request for a waiver of the applicable requirement for customer notification is granted.
2. KMC Telecom III, Inc.'s Request for approval of the corporation's change of name from KMC Telecom III, Inc. to KMC Telecom III LLC is approved.
3. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)